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Technical: Peter Kuhbach: (202) 606-9543
Bradlee Herauf: 606-9978
Media: Ralph Stewart: 606-9690
E-mail inquiries: industrysatellites@bea.gov

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BEA REPORTS SALES OF U.S. TOURISM INDUSTRIES GREW 11.6 PERCENT IN FIRST QUARTER 2004

Tourism Sales Exceed Fourth Quarter 2000 Peak

Total sales of U.S. tourism industries grew 11.6 percent (seasonally adjusted annual rate) in the first quarter of 2004, following growth of 0.4 percent (revised) in the fourth quarter of 2003, according to preliminary data released by the U.S. Bureau of Economic Analysis. Current dollar GDP grew 7.2 percent in the first quarter. Total tourism-related sales were \$757.7 billion in the first quarter of 2004, which exceeded the previous peak of \$746.7 billion in the fourth quarter of 2000. This recovery in tourism sales is attributable to mixed growth in the two largest tourism industries, air transportation and hotels and lodging places, and strong growth in other tourism industries such as eating and drinking places, amusement and recreation services, and motion pictures and other entertainment.

While overall tourism sales now exceed the fourth quarter 2000 peak, there have been significant changes in the structure of those sales. Sales of air transportation and hotels and lodging places were hit hard by the events of September 11, 2001, and they still have not reached their fourth quarter 2000 peak. In contrast, other tourism industries grew at a 5.4 percent annualized rate since the previous peak. As a result, the combined sales of air transportation and hotels and lodging places, which accounted for 59 percent of total tourism sales at the fourth quarter 2000 peak, now account for 52 percent of total tourism sales in the first quarter of 2004.

Other highlights from this release of the travel and tourism satellite account include:

- Although their sales results have been mixed since the fourth quarter 2000 peak, and especially since the events of September 11, 2001, direct sales of air transportation and hotels and lodging places experienced high rates of growth - 18.6 percent and 10.9 percent - respectively, in the first quarter of 2004.
- Direct sales of eating and drinking places grew 14.2 percent in the first quarter.

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- Direct sales of amusement and recreation services grew 18.2 percent in the first quarter of 2004.
- Total sales of all tourism-related industries increased 11.6 percent, or \$20.5 billion, to \$757.7 in the first quarter of 2004.
- Direct sales of all tourism-related industries increased \$10.8 billion to \$406.0 billion, and indirect sales increased \$9.7 billion to \$351.7 billion.
 - Direct tourism sales are sales by tourism industries to out-of-town visitors such as sales by airlines and restaurants to leisure and business travelers. Indirect tourism sales are sales to tourism industries by the chain of industries that supply them, such as fuel to airlines and oil to the fuel refineries to supply airlines.

Tourism industries are those identified in the BEA Travel and Tourism Satellite Accounts (TTSA) as industries whose primary products are typically purchased by out-of-town visitors. Visitors are people whose travel for pleasure or business takes them 50 miles or more away from home, or outside of their usual environment. The definitions, framework, and estimating methods used for the U.S. TTSA's follow, as closely as practicable, the guidelines for similar accounts that were developed by the World Tourism Organization (WTO) and the Organisation for Economic Co-operation and Development (OECD).

BEA's estimates of U.S. tourism industry sales include figures for both direct and indirect sales. Direct tourism sales are sales by tourism industries to out-of-town visitors. Indirect tourism sales are sales to tourism industries by the chain of industries that supply them. Indirect sales were estimated using industry-by-industry total requirements coefficients from BEA's input-output accounts.

Further information on BEA's TTSA and analyses of previous quarters are available on BEA's Web site. Go to <www.bea.gov>, and below the "Industry" heading click on "Travel and Tourism." With the support of the U.S. Department of Commerce's International Trade Administration, BEA's first TTSA's were published in the July 1998 *Survey of Current Business*. In late 2001, BEA began producing prototype quarterly estimates of tourism industry sales. BEA is now publishing these estimates on a regular basis, approximately two weeks following the release of BEA's preliminary estimates of GDP.

BEA's major national, international, regional, and industry estimates; the *Survey of Current Business*; and BEA news releases are available without charge on BEA's Web site:

<www.bea.gov>

Summary BEA estimates are available on recorded messages at the time of public release at the following telephone numbers:

(202) 606-5306 Gross domestic product
 606-5303 Personal income and outlays
 606-5362 U.S. international transactions

Most of BEA's estimates and analyses appear in the *Survey of Current Business*, BEA's monthly journal. Subscriptions and single copies of the printed *Survey* are for sale by the Superintendent of Documents, U.S. Government Printing Office. Internet: <bookstore.gpo.gov>; phone: 202-512-1800; fax: 202-512-2250; mail: Stop SSOP, Washington, DC 20402-0001.

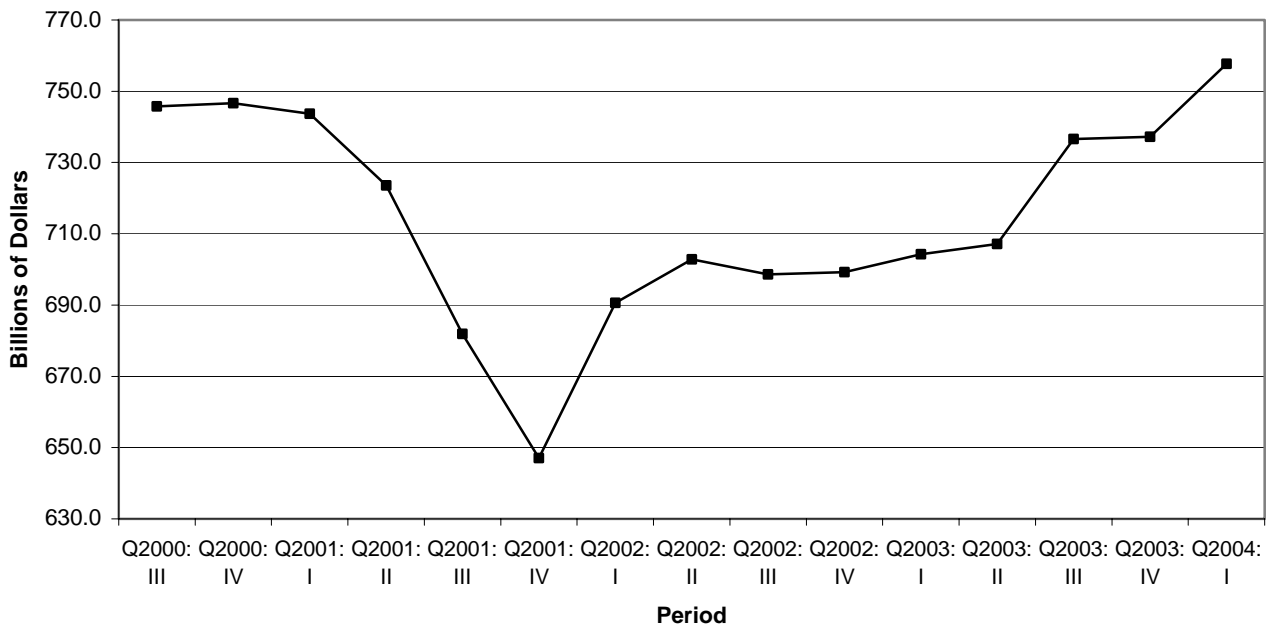
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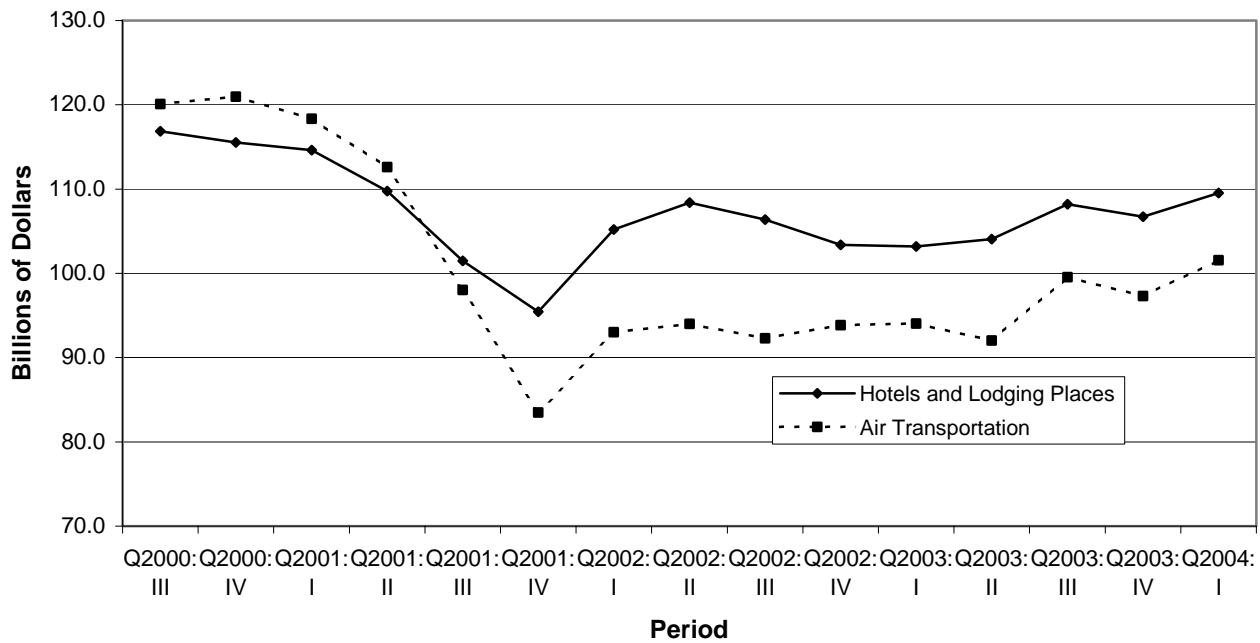
Next release – Sales of U.S. Tourism Industries for Second Quarter 2004 will be released on September 8, 2004 at 8:30 A.M. EDT.

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Total Tourism-Related Sales of Tourism Industries, Q2000:III - Q2004:I



Direct Sales of Hotels and Lodging Places and Air Transportation, Q2000:III - Q2004:I



Source: U.S. Bureau of Economic Analysis

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Table 1. -- Direct Tourism-related Sales of Tourism Industries
Percent Change from Preceding Period

Tourism Industry	Seasonally adjusted at annual rates																
	Y2001	Y2002	Y2003	Q2000: IV	Q2001: I	Q2001: II	Q2001: III	Q2001: IV	Q2002: I	Q2002: II	Q2002: III	Q2002: IV	Q2003: I	Q2003: II	Q2003: III	Q2003: IV	Q2004: I
Hotels and lodging places	-8.4	0.5	-0.3	-4.5	-3.1	-16.0	-26.9	-21.7	47.6	12.6	-7.2	-10.9	-0.8	3.5	16.9	-5.3	10.9
Eating and drinking places	3.8	5.1	7.1	1.1	10.6	-1.0	3.1	4.2	11.9	2.8	2.3	4.8	7.8	10.1	9.0	13.3	14.2
Railroads and related services	7.9	2.5	1.7	-2.9	3.8	-2.2	16.6	33.7	-2.0	-10.3	-16.7	2.2	5.9	0.0	19.7	12.0	-14.9
Local and bus passenger transit	-5.5	0.8	2.4	-8.6	-6.5	-7.0	0.8	-6.3	8.4	1.5	0.0	0.5	-2.4	8.1	9.4	3.9	-0.9
Taxicabs	2.8	3.3	8.9	2.2	4.1	2.5	5.2	2.9	2.7	4.9	2.2	2.3	4.0	26.6	15.1	4.0	6.8
Air transportation	-13.2	-9.5	2.6	3.0	-8.4	-18.0	-42.6	-47.4	54.2	4.2	-7.0	6.9	0.7	-8.2	36.8	-8.6	18.6
Water transportation	-4.3	1.3	3.6	-6.0	-7.2	-3.8	-5.4	0.8	3.2	3.6	3.2	2.9	4.7	3.9	2.5	2.4	3.7
Automotive rental and leasing	1.6	9.0	4.1	5.5	1.9	-8.4	-5.7	11.2	22.6	11.7	9.7	-7.3	0.9	5.2	14.8	11.3	-9.6
Travel agency services	-7.0	1.4	4.3	-11.2	-11.3	-8.1	3.3	-3.7	6.0	5.9	-2.9	1.3	2.0	13.2	8.2	3.1	2.3
Amusement and recreation services	5.3	5.7	4.8	0.8	5.6	3.3	3.0	5.0	9.3	5.1	7.2	1.2	4.7	5.7	6.8	4.2	18.2
Membership sports and recreation clubs	5.0	12.0	2.4	6.9	0.4	7.1	9.2	9.4	18.3	11.8	10.4	9.9	3.7	-1.5	-12.3	-4.8	0.0
Motion pictures and other entertainment	7.6	6.5	6.9	6.2	16.9	-2.4	5.0	15.3	6.1	8.7	-10.6	27.3	-10.8	21.6	11.3	13.3	2.5
Professional sports clubs and promoters	8.1	9.4	6.2	-0.1	14.3	18.7	-22.8	46.3	-1.7	14.2	14.5	4.4	4.6	3.8	4.5	5.3	19.2
Gasoline service stations	-1.5	-4.2	16.1	12.5	-3.0	8.9	-25.4	-37.3	-4.4	46.8	3.8	20.2	77.7	-38.3	27.6	5.4	46.5
Retail excluding restaurants and gas stations	3.9	4.1	4.5	5.2	0.1	2.8	5.7	4.4	5.6	3.4	1.1	4.3	5.7	2.2	10.2	4.2	8.2
<i>All tourism industries</i>	-5.2	-0.1	3.2	0.4	-1.7	-10.5	-21.0	-18.8	29.9	7.2	-2.5	0.2	2.6	1.8	17.6	0.1	11.4

Source: U.S. Bureau of Economic Analysis

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Table 2. -- Direct Tourism-related Sales of Tourism Industries
[Billions of dollars]

Tourism Industry	Y2001Y2002Y2003			Seasonally adjusted at annual rates															
				Q2000: I	Q2000: II	Q2000: III	Q2000: IV	Q2001: I	Q2001: II	Q2001: III	Q2001: IV	Q2002: I	Q2002: II	Q2002: III	Q2002: IV	Q2003: I	Q2003: II	Q2003: III	Q2003: IV
Hotels and lodging places	105.3	105.8	105.5	116.9	115.5	114.6	109.7	101.5	95.5	105.2	108.4	106.4	103.4	103.2	104.1	108.2	106.7	109.5	
Eating and drinking places	58.9	61.9	66.3	57.0	57.1	58.6	58.4	58.9	59.5	61.2	61.6	62.0	62.7	63.9	65.4	66.9	69.0	71.3	
Railroads and related services	1.4	1.4	1.4	1.3	1.3	1.3	1.3	1.4	1.5	1.5	1.4	1.4	1.4	1.4	1.4	1.5	1.5	1.5	
Local and bus passenger transit	2.8	2.8	2.9	2.9	2.9	2.8	2.8	2.8	2.7	2.8	2.8	2.8	2.8	2.8	2.8	2.9	2.9	2.9	
Taxicabs	4.8	4.9	5.4	4.6	4.7	4.7	4.7	4.8	4.8	4.9	4.9	4.9	5.0	5.0	5.3	5.5	5.6	5.7	
Air transportation	103.1	93.3	95.7	120.1	121.0	118.3	112.6	98.0	83.5	93.0	94.0	92.3	93.9	94.0	92.0	99.5	97.3	101.6	
Water transportation	7.4	7.5	7.8	7.8	7.7	7.5	7.4	7.3	7.4	7.4	7.5	7.5	7.6	7.7	7.8	7.8	7.9	7.9	
Automotive rental and leasing	21.6	23.5	24.5	21.6	21.9	22.0	21.5	21.2	21.8	22.9	23.5	24.1	23.6	23.7	24.0	24.8	25.5	24.9	
Travel agency services	4.2	4.3	4.5	4.6	4.4	4.3	4.2	4.2	4.2	4.3	4.3	4.3	4.3	4.3	4.5	4.6	4.6	4.6	
Amusement and recreation services	16.0	16.9	17.7	15.5	15.6	15.8	15.9	16.0	16.2	16.6	16.8	17.1	17.1	17.3	17.6	17.9	18.1	18.8	
Membership sports and recreation clubs	6.2	6.9	7.1	5.9	6.0	6.0	6.1	6.2	6.4	6.7	6.8	7.0	7.2	7.3	7.2	7.0	6.9	6.9	
Motion pictures and other entertainment	7.7	8.2	8.7	7.2	7.3	7.6	7.5	7.6	7.9	8.0	8.2	8.0	8.5	8.2	8.6	8.9	9.1	9.2	
Professional sports clubs and promoters	1.9	2.1	2.2	1.8	1.8	1.9	2.0	1.8	2.0	2.0	2.1	2.2	2.2	2.2	2.2	2.3	2.3	2.4	
Gasoline service stations	3.2	3.0	3.5	3.3	3.4	3.3	3.4	3.2	2.8	2.8	3.1	3.1	3.2	3.7	3.3	3.5	3.6	3.9	
Retail excluding restaurants and gas stations	30.8	32.0	33.5	29.9	30.3	30.3	30.5	30.9	31.3	31.7	32.0	32.1	32.4	32.8	33.0	33.8	34.2	34.9	
All tourism industries	375.2	374.7	386.8	400.4	400.8	399.1	388.2	366.0	347.4	370.9	377.5	375.1	375.2	377.6	379.3	395.0	395.2	406.0	

Source: U.S. Bureau of Economic Analysis

Table 3. -- Total (Direct & Indirect) Tourism-related Sales of Tourism Industries
[Billions of dollars]

Tourism Industry	Y2001 Y2002 Y2003			Seasonally adjusted at annual rates														
	Q2000: III	Q2000: IV	Q2001: I	Q2001: II	Q2001: III	Q2001: IV	Q2002: I	Q2002: II	Q2002: III	Q2002: IV	Q2003: I	Q2003: II	Q2003: III	Q2003: IV	Q2004: I			
Hotels and lodging places	188.5	189.5	188.9	209.2	206.8	205.2	196.4	181.7	170.9	188.3	194.0	190.4	185.0	184.7	186.3	193.7	191.1	196.1
Eating and drinking places	121.3	127.5	136.6	117.4	117.7	120.7	120.4	121.3	122.6	126.1	127.0	127.7	129.2	131.6	134.8	137.7	142.1	146.9
Railroads and related services	2.4	2.5	2.5	2.4	2.3	2.4	2.3	2.4	2.6	2.6	2.5	2.4	2.4	2.5	2.5	2.6	2.7	2.6
Local and bus passenger transit	4.9	4.9	5.0	5.2	5.0	5.0	4.9	4.9	4.8	4.9	4.9	4.9	4.9	4.9	5.0	5.1	5.1	5.1
Taxicabs	8.4	8.7	9.4	8.1	8.2	8.3	8.3	8.4	8.5	8.5	8.6	8.7	8.7	8.8	9.4	9.7	9.8	10.0
Air transportation	194.9	176.3	180.9	227.0	228.6	223.7	212.9	185.2	157.8	175.8	177.6	174.4	177.4	177.7	173.9	188.1	183.9	191.9
Water transportation	15.9	16.1	16.6	16.6	16.4	16.1	15.9	15.7	15.7	15.9	16.0	16.1	16.3	16.4	16.6	16.7	16.8	17.0
Automotive rental and leasing	42.8	46.6	48.5	42.7	43.3	43.5	42.6	41.9	43.1	45.3	46.6	47.7	46.8	46.9	47.5	49.2	50.5	49.2
Travel agency services	7.5	7.6	7.9	8.0	7.8	7.6	7.4	7.5	7.4	7.5	7.6	7.6	7.6	7.6	7.9	8.0	8.1	8.1
Amusement and recreation services	28.0	29.6	31.0	27.2	27.3	27.6	27.9	28.1	28.4	29.0	29.4	29.9	30.0	30.4	30.8	31.3	31.6	33.0
Membership sports and recreation clubs	10.8	12.1	12.4	10.3	10.5	10.5	10.7	10.9	11.2	11.7	12.0	12.3	12.6	12.7	12.6	12.2	12.1	12.1
Motion pictures and other entertainment	13.4	14.3	15.3	12.6	12.7	13.3	13.2	13.3	13.8	14.0	14.3	13.9	14.8	14.4	15.1	15.5	16.0	16.1
Professional sports clubs and promoters	3.4	3.7	3.9	3.2	3.2	3.3	3.4	3.2	3.6	3.5	3.7	3.8	3.8	3.9	3.9	3.9	4.0	4.2
Gasoline service stations	9.0	8.6	10.0	9.2	9.5	9.4	9.6	8.9	7.9	7.9	8.7	8.7	9.1	10.6	9.4	9.9	10.1	11.1
Retail excluding restaurants and gas stations	48.0	50.0	52.2	46.7	47.3	47.3	47.6	48.3	48.8	49.4	49.9	50.0	50.5	51.2	51.5	52.8	53.3	54.4
All tourism industries	699.0	697.8	721.3	745.7	746.7	743.7	723.5	681.9	647.1	690.6	702.8	698.6	699.2	704.3	707.1	736.6	737.2	757.7
Percent change at annual rate	-5.2	-0.2	3.4		0.5	-1.6	-10.4	-21.1	-18.9	29.7	7.3	-2.4	0.3	2.9	1.6	17.7	0.4	11.6

Source: U.S. Bureau of Economic Analysis